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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 001484

SIPDIS

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NSC FOR J. BADER, D. WALTON

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SUBJECT: AMBASSADOR REVIEWS PROGRESS ON PARTNERSHIP WITH GOI

REF: JAKARTA 9094 AND PREVIOUS

Classified By: Ambassador Cameron R. Hume, reasons 1.4 (b+d).

¶1. (C) SUMMARY: The Ambassador met with Ambassador Retno Marsudi of the Indonesian Department of Foreign Affairs (DEPLU) on September 4. The two reviewed the status of key items related to the Comprehensive Partnership. Marsudi asked when an advance team would come to Jakarta to make preparations for President Obama's possible visit in November. The Ambassador said he would be in Washington September 14-16, and planned to hold meetings with key officials at the State Department, NSC, the Defense Department and other agencies. END SUMMARY.

MEETING AT DEPARTMENT OF FOREIGN AFFAIRS

¶2. (C) The Ambassador met with Indonesian Director General for American and European Affairs Retno Marsudi on September ¶4. Marsudi remarked that her discussions last week in Washington had been constructive. The development of the U.S.-Indonesia Comprehensive Partnership was a high priority for the GOI and she felt that both sides were making progress on key items. She reiterated that Indonesia--if at all possible--wanted the Partnership acknowledged in a separate document during a possible visit by President Obama in November. Such a document would be in addition to a joint Presidential Statement and the "Plan of Action." Re the latter document, the GOI was set to meet inter-agency shortly to review the USG draft.

¶3. (C) Marsudi related that Indonesia very much looked forward to the planned visit by President Obama in November. She asked when an advance team might arrive to prepare for the visit; the Indonesian government also wanted to know whether the White House had any "specific requests" re the visit. She added that from what she understood two Indonesian universities (the University of Indonesia and Gajah Mada) had offered to award the President honorary degrees during his visit.

AMBASSADOR'S VISIT TO WASHINGTON

¶4. (C) The Ambassador responded that we did not have information re an advance team as of yet. He noted that he would be in Washington September 14-16, and planned to hold meetings with key officials at the State Department, NSC, the Defense Department plus other agencies. Regarding the honorary degrees, Mission had provided the offers to Washington. Marsudi confirmed President Yudhoyono's visits September 24-29 to Pittsburgh for the G-20 Summit and to Boston for remarks at Harvard and a business conference. The Ambassador replied that he was writing to Senator Kerry, Chairman of the Foreign Relations Committee, to see whether he could introduce the President Yudhoyono at the Boston business conference.

PROGRESS ON KEY PARTNERSHIP ITEMS

15. (C) The Ambassador commented that he wanted to keep up the close interaction shared by the U.S. and Indonesia regarding the Partnership. The two sides were moving forward quickly on a varied assortment of complex items that would deepen and broaden the relationship. These items included:

Economy, Environment, Health:

-- Export-Import Bank: The Ambassador said he would meet with ExIm Bank officials while in Washington. ExIm had concrete proposals re financing a presidential aircraft for Indonesia. He also wanted to review with ExIm its financing requirements for dealings with Indonesia which were set at a higher risk level than normal. This did not seem appropriate. Re the aircraft, the Ambassador also planned to old talks with the Pentagon related to security requirementr.

-- Draft Science and Technology Agreement: Discssions were also proceeding well in this area. h(e USG negotiator is set to arrive in Jakarta inmmmid-September.

-- Tropical Forest Conservation c"t: The U.S. was examining whether a budgeted TFCA could also be developed for the Papuan region,iin addition to the one in place for Sumatra.

--Education: The large delegation of U.S. educatorstthat recently visited Indonesia had sent Missioni(ts report which we were closely reviewing. We were also looking into supporting university linkaees.

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-- Trade/Investment: The Ambassador underlined that this was a priority area. Marsudi replied that she was working with Indonesian businesses, including with KADIN (the Indonesian Chamber of Commerce), on ways to showcase Indonesia as a market for investors.

-- Civil Aviation: Mission was working to set up constructive meetings for the Director General of Civil Aviation when he visited the U.S. next week. We were also working with Boeing on a project that would involve building the OV-10, a U.S.-licensed aircraft, at a factory in Bandung.

-- Health: The first meeting of the bilateral steering committee chaired by Minister Supari and the Ambassador was scheduled for September 10. Discussions related to the joint Indonesia-U.S. Center for Biomedical and Public Health Research were moving forward.

-- Food Security: This was a high priority for the U.S. and Indonesia. We are looking into innovative ways to work with Indonesia, especially in the area of marine resources. The DCM plans to visit fisheries research centers in Bali shortly to discuss possible institutional link-ups.

-- Draft OPIC Agreement: Discussions are continuing regarding the draft agreement.

Other Items:

-- Interfaith Dialogue: The Ambassador noted that this was a priority for the U.S. It appeared that USG funding for an interfaith conference was available, which was a positive development. Marsudi replied that this area continued to be a priority for Indonesia. The GOI hoped that any event would be as bilateral in composition as possible. The Ambassador said Washington was aware of Indonesia's view on this and was taking that into full consideration.

-- Afghan Police Training: This matter had been raised with the GOI on several occasions and we appreciated its interest. The Ambassador plans to discuss next steps when he visited Washington.

-- American Place: Preparations for this center for public outreach continued. We hope to have a "soft" opening of this innovative facility later this year.

-- Return of the Peace Corps: The draft MOU providing for the return of the Peace Corps was almost complete, but there were some small items that needed to be cleared up. Marsudi agreed, remarking that the GOI was committed to negotiating the MOU and getting it done soon.

-- Land for New Embassy Property: Mission was moving forward with plans for the new Chancery. This facility would showcase our growing relationship with Indonesia. We need approval from the Indonesian side for the purchase of one final parcel of land.

HUME